

March 1, 2011

The Honorable Judy Biggert  
Subcommittee on Insurance, Housing  
and Community Opportunity  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Luis Gutierrez  
Subcommittee on Insurance, Housing  
and Community Opportunity  
U.S. House of Representatives  
Washington, DC 20515

RE: Neighborhood Stabilization Program

Dear Chairperson Biggert and Ranking Member Gutierrez:

The undersigned organizations representing local elected officials, State and local program practitioners, and community-based organizations write in support of the Neighborhood Stabilization Program – NSP1, NSP2, and NSP3. The collapse of the housing market in 2008 wreaked havoc on neighborhoods across America; foreclosures were rampant and abandoned homes dotted both urban and rural landscapes. This national crisis threatened to bring down local economies. Congress stepped in to provide funding for NSP1 – the first round of funding under the Neighborhood Stabilization Program – to abate the crisis. This funding was quickly followed by NSP2 and NSP3 to further aid local neighborhoods. While more funding is needed, the contribution these programs have made have been important to abating the foreclosure crisis and arresting neighborhood decline. NSP3 is needed to continue the reverberating effect of the activities started under NSP1 and NSP2.

According to the Department of Housing and Urban Development (HUD), NSP1 and NSP2, combined, have assisted approximately 100,000 properties. The programs have assisted a wide mix of income levels, from very-low income persons at or below 50% of area median income to middle-income people with incomes up to 120% of area median income.

NSP funds are efficiently allocated and managed. NSP funds are highly targeted to communities with the most severe neighborhood problems associated with the foreclosure crisis. Grantees are under very tight deadlines to obligate and expend the funds, ensuring that funds are spent quickly. The programs have strict reporting requirements that allows HUD to see that the funds are being spent as directed by statute and regulation and in a timely fashion.

The programs could not have been implemented in such an efficient and quick manner without

the guidance and technical assistance that has been provided by HUD. HUD staff have devoted a lot of time and resources to NSP grantees to ensure they have the capacity and tools to allocate funds quickly and implement program activities to arrest neighborhood decline.

We urge you and the other Subcommittee members to support these valuable neighborhood revitalization programs.

Sincerely,

National Association of Counties

National League of Cities

U.S. Conference of Mayors

National Community Development Association

National Association for County Community and Economic Development

Council of State Community Development Agencies

Enterprise Community Partners, Inc.